

# Senate Study Bill 3199 - Introduced

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON FEENSTRA)

## A BILL FOR

1 An Act prohibiting the office of secretary of state from  
2 imposing a fee for filing biennial reports by business  
3 entities.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 488.210, subsection 5, Code 2018, is  
2 amended to read as follows:

3 5. The first biennial report shall be delivered to the  
4 secretary of state between January 1 and April 1 of the  
5 first odd-numbered year following the calendar year in  
6 which a limited partnership was formed or a foreign limited  
7 partnership was authorized to transact business. Subsequent  
8 biennial reports must be delivered to the secretary of state  
9 between January 1 and April 1 of the following odd-numbered  
10 calendar years. ~~A filing fee for the biennial report shall be~~  
11 ~~determined by the secretary of state.~~ For purposes of this  
12 section, each biennial report shall contain information related  
13 to the two-year period immediately preceding the calendar year  
14 in which the report is filed.

15 Sec. 2. Section 488.1206, subsection 1, Code 2018, is  
16 amended by adding the following new paragraph:

17 NEW PARAGRAPH. *Op.* Biennial report ..... No fee

18 Sec. 3. Section 489.117, subsection 1, Code 2018, is amended  
19 by adding the following new paragraph:

20 NEW PARAGRAPH. *Ou.* A biennial report ..... No fee

21 Sec. 4. Section 489.117, subsection 4, Code 2018, is amended  
22 by striking the subsection.

23 Sec. 5. Section 489.209, subsection 3, Code 2018, is amended  
24 to read as follows:

25 3. The first biennial report under [this section](#) must be  
26 delivered to the secretary of state between January 1 and  
27 April 1 of the first odd-numbered year following the calendar  
28 year in which a limited liability company was formed or a  
29 foreign limited liability company was authorized to transact  
30 business. A subsequent biennial report must be delivered  
31 to the secretary of state between January 1 and April 1 of  
32 each following odd-numbered calendar year. ~~A filing fee for~~  
33 ~~the biennial report shall be determined by the secretary of~~  
34 ~~state pursuant to [section 489.117](#).~~ Each biennial report shall  
35 contain information related to the two-year period immediately

1 preceding the calendar year in which the report is filed.

2 Sec. 6. Section 490.122, subsection 1, Code 2018, is amended  
3 by adding the following new paragraph:

4 NEW PARAGRAPH. *0y.* Biennial report ..... No fee

5 Sec. 7. Section 490.1622, subsection 3, Code 2018, is  
6 amended to read as follows:

7 3. The first biennial report shall be delivered to the  
8 secretary of state between January 1 and April 1 of the  
9 first even-numbered year following the calendar year in  
10 which a domestic corporation was incorporated or a foreign  
11 corporation was authorized to transact business. Subsequent  
12 biennial reports must be delivered to the secretary of state  
13 between January 1 and April 1 of the following even-numbered  
14 calendar years. ~~A filing fee for the biennial report shall be~~  
15 ~~determined by the secretary of state.~~ For purposes of this  
16 section, each biennial report shall contain information related  
17 to the two-year period immediately preceding the calendar year  
18 in which the report is filed.

19 Sec. 8. Section 495.3, Code 2018, is amended to read as  
20 follows:

21 **495.3 Biennial report — fee.**

22 1. ~~All corporations~~ A corporation subject to the provisions  
23 of this chapter ~~are hereby required to pay the fee and to make~~  
24 ~~the~~ shall file a biennial report in the form and manner and at  
25 the time as specified in chapter 490.

26 2. The secretary of state shall not impose a fee for filing  
27 a biennial report.

28 Sec. 9. Section 496C.21, subsection 3, Code 2018, is amended  
29 to read as follows:

30 3. A corporation subject to the provisions of this chapter  
31 ~~shall pay the biennial filing fee and make~~ prepare and file the  
32 biennial report in a form and manner and at the time specified  
33 in chapter 490.

34 Sec. 10. Section 496C.21, Code 2018, is amended by adding  
35 the following new subsection:

1     NEW SUBSECTION.   4. The secretary of state shall not impose  
2 a fee for filing a biennial report.

3     Sec. 11. Section 497.22, Code 2018, is amended to read as  
4 follows:

5     **497.22 Biennial report — penalty.**

6     1. Section A cooperative association subject to this  
7 chapter shall file a biennial report with the secretary of  
8 state in the same manner as a corporation subject to section  
9 504.1613 applies to a cooperative association organized under  
10 this chapter in the same manner as that section applies to  
11 a corporation organized under chapter 504. In addition to  
12 the information required to be set forth in the biennial  
13 report under section 504.1613, the cooperative association  
14 shall also set forth the total amount of business transacted,  
15 number of members, total expense of operation, total amount of  
16 indebtedness, and total profits or losses for each calendar  
17 or fiscal year of the two-year period which ended immediately  
18 preceding the first day of January of the year in which the  
19 report is filed.

20     2. The secretary of state shall not impose a fee for filing  
21 a biennial report.

22     3. A cooperative association which that fails to comply with  
23 this section before April 1 of the year in which the report is  
24 due is subject to a penalty of ten dollars.

25     Sec. 12. Section 498.24, Code 2018, is amended to read as  
26 follows:

27     **498.24 Biennial report — penalty.**

28     1. Section A cooperative association subject to this  
29 chapter shall file a biennial report with the secretary of  
30 state in the same manner as a corporation subject to section  
31 504.1613 applies to a cooperative association organized under  
32 this chapter in the same manner as that section applies to  
33 a corporation organized under chapter 504. In addition to  
34 the information required to be set forth in the biennial  
35 report under section 504.1613, the cooperative association

1 shall also set forth the total amount of business transacted,  
2 number of members, total expense of operation, total amount of  
3 indebtedness, and total profits or losses for each calendar  
4 or fiscal year of the two-year period which ended immediately  
5 preceding the first day of January of the year in which the  
6 report is filed.

7 2. The secretary of state shall not impose a fee for filing  
8 a biennial report.

9 3. A cooperative association which that fails to comply with  
10 this section before April 1 of the year in which the report is  
11 due is subject to a penalty of ten dollars.

12 Sec. 13. Section 499.49, Code 2018, is amended to read as  
13 follows:

14 **499.49 Biennial report.**

15 1. Section A cooperative subject to this chapter shall  
16 file a biennial report with the secretary of state in the same  
17 manner as a corporation subject to section 504.1613 applies  
18 ~~to a cooperative organized under this chapter in the same~~  
19 ~~manner as that section applies to a corporation organized~~  
20 ~~under chapter 504.~~ In addition to the information required to  
21 be set forth in the biennial report under section 504.1613,  
22 the cooperative shall also set forth the number of members  
23 of the cooperative, the percentage of the cooperative's  
24 business done with or for its own members during each of the  
25 fiscal or calendar years of the preceding two-year period,  
26 the percentage of the cooperative's business done with or for  
27 each class of nonmembers specified in section 499.3, and any  
28 other information deemed necessary by the secretary of state  
29 to advise the secretary whether the cooperative is actually  
30 functioning as a cooperative.

31 2. The secretary of state shall not impose a fee for filing  
32 a biennial report.

33 Sec. 14. Section 501.105, Code 2018, is amended by adding  
34 the following new subsection:

35 NEW SUBSECTION. 3A. The secretary of state shall not impose

1 a fee for filing a biennial report.

2 Sec. 15. Section 501.713, subsection 3, Code 2018, is  
3 amended to read as follows:

4 3. The first biennial report shall be delivered to the  
5 secretary of state for filing between January 1 and April 1 of  
6 the first even-numbered year following the calendar year in  
7 which a cooperative was organized. Subsequent biennial reports  
8 must be delivered to the secretary of state between January 1  
9 and April 1 of the following even-numbered calendar years. A  
10 ~~filing fee for the biennial report shall be determined by the~~  
11 ~~secretary of state.~~

12 Sec. 16. Section 501.713, Code 2018, is amended by adding  
13 the following new subsection:

14 NEW SUBSECTION. 6. The secretary of state shall not impose  
15 a fee for filing a biennial report.

16 Sec. 17. Section 501.811, subsection 1, Code 2018, is  
17 amended to read as follows:

18 1. The cooperative has not delivered for filing a biennial  
19 report to the secretary of state in a form that meets the  
20 requirements of [section 501.713](#), within sixty days after it  
21 is due, ~~or has not paid the filing fee as determined by the~~  
22 ~~secretary of state, within sixty days after it is due.~~

23 Sec. 18. Section 501A.205, subsection 1, Code 2018, is  
24 amended by adding the following new paragraph:

25 NEW PARAGRAPH. 0y. Biennial report ..... No fee

26 Sec. 19. Section 501A.231, subsection 3, Code 2018, is  
27 amended to read as follows:

28 3. The first biennial report shall be delivered for filing  
29 to the secretary of state between January 1 and April 1 of the  
30 first even-numbered year following the calendar year in which a  
31 cooperative is organized. Subsequent biennial reports shall be  
32 delivered to the secretary of state between January 1 and April  
33 1 of the following even-numbered calendar years. ~~A filing fee~~  
34 ~~for the biennial report shall be determined by the secretary of~~  
35 ~~state.~~

1     Sec. 20.   Section 501A.231, Code 2018, is amended by adding  
2 the following new subsection:

3     NEW SUBSECTION.   6.   The secretary of state shall not impose  
4 a fee for filing a biennial report.

5     Sec. 21. Section 504.113, subsection 1, paragraph w, Code  
6     2018, is amended by striking the paragraph.

7     Sec. 22. Section 504.113, subsection 1, Code 2018, is  
8 amended by adding the following new paragraph:

9 NEW PARAGRAPH. *Oz*. Biennial report ..... No fee

10      Sec. 23. Section 504.1613, subsection 4, Code 2018, is  
11 amended to read as follows:

12 4. a. If a biennial report does not contain the information  
13 required by [this section](#), the secretary of state shall promptly  
14 notify the reporting domestic or foreign corporation in writing  
15 and return the report to the corporation for correction.

~~b. A filing fee for the biennial report shall be determined  
by the secretary of state.~~

18 ~~c.~~ b. For purposes of **this section**, each biennial report  
19 shall contain information related to the two-year period  
20 immediately preceding the calendar year in which the report is  
21 filed.

22      Sec. 24. Section 504.1613, Code 2018, is amended by adding  
23 the following new subsection:

24 NEW SUBSECTION. 6. The secretary of state shall not impose  
25 a fee for filing a biennial report.

26 EXPLANATION

27           The inclusion of this explanation does not constitute agreement with  
28           the explanation's substance by the members of the general assembly.

29 GENERAL. This bill amends provisions affecting a number of  
30 business entities required to file a biennial report (report)  
31 with the office of the secretary of state (office). The bill  
32 prohibits the office from imposing a fee for filing the report.

33 BACKGROUND — BUSINESS ENTITIES REQUIRED TO FILE A REPORT. A  
34 business entity is required to file a report with the office  
35 either on an even-numbered or odd-numbered year depending upon

1 the type of business entity required to file. The business  
2 entity may include a domestic or foreign business operating  
3 on a profit, nonprofit, or cooperative basis. It does not  
4 include a partnership or limited liability partnership (Code  
5 chapter 486A) or a corporation for pecuniary profit organized  
6 under Code chapter 491 prior to July 1, 1971 (Code section  
7 491.1). It does include a limited partnership or a foreign  
8 limited partnership (Code section 488.210), a limited liability  
9 company or a foreign limited liability company (Code section  
10 489.209), a professional limited liability company or foreign  
11 professional limited liability company (Code sections 489.209  
12 and 489.1101), a domestic or foreign for-profit corporation  
13 (Code section 490.1622), a foreign corporation that owns or  
14 controls certain utilities (Code section 495.3), a cooperative  
15 association organized prior to July 4, 1935 (Code sections  
16 497.22, 498.24, and 504.1613), a traditional domestic or  
17 foreign cooperative association (Code sections 499.49, 499.54,  
18 490.122, and 504.1613), a closed cooperative organized under  
19 state law (Code section 501.713), a domestic or foreign  
20 cooperative subject to the Iowa cooperative associations Act  
21 (Code section 501A.231), and a domestic or foreign nonprofit  
22 corporation (Code section 504.1613).

23 BACKGROUND — AMOUNT OF THE FILING FEE. The relevant  
24 statutes do not specify the amount of the filing fee.  
25 Generally, the amount is determined by the office (Code  
26 sections 488.210, 489.209, 490.1622, 501.713, 501A.231, and  
27 504.1613).

28 BACKGROUND — INFORMATION IN THE REPORT. Generally, a  
29 report contains information regarding the business entity's  
30 current status including its identity (e.g., name), business  
31 location (the mailing address of its registered office and  
32 registered agent for service of process, and its principal  
33 place of business), and in the case of a foreign business  
34 entity the state or other jurisdiction under which it was  
35 organized or formed. The failure to file a complete report and



S.F. \_\_\_\_\_

1 fee with the office may be cause for administrative dissolution  
2 (e.g., Code sections 490.1420 and 504.1421).